Before the FEDERAL COMMUNICATIONS COMMISSION Washington, D.C. 20554

In the Matter of)	
)	
Auction of H Block Licenses in the 1915-1920)	AU Docket No. 13-178
MHz and 1995-2000 MHz Bands; Comment)	
Sought on Competitive Bidding Procedures for)	
Auction 96)	
)	

COMMENTS OF AT&T INC.

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Comments of AT&T Inc.

AT&T Inc. respectfully submits these comments on behalf of itself and its operating company affiliates (collectively, "AT&T") in response to the Commission's Public Notice seeking comment on proposed competitive bidding procedures for Auction 96, the auction of licenses in the H Block.

I. Introduction

AT&T applauds the Commission for moving rapidly to make additional commercial spectrum available for mobile wireless services. The Administration and the Commission have repeatedly recognized that the explosive growth in demand for wireless services can only be met by making more spectrum available.² The Commission is planning to auction the H Block in January of 2014. Together with the Commission's recent Notice of Proposed Rulemaking to develop service rules for the 1755-1780 MHz, 2155-2180 MHz, 1695-1710 MHz, and 2020-2025 MHz bands,³ and the Commission's rulemaking in connection with the incentive auction designed to reallocate the 600 MHz band from broadcast television to mobile wireless use,⁴ this auction represents significant progress toward addressing the nation's pressing need for more mobile wireless spectrum.

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¹ Auction of the H Block Licenses in the 1915-1920 MHz and 1995-2000 MHz Bands; Comment Sought on Competitive Bidding Procedures for Auction 96, AU Docket No. 13-178, DA 13-1540 (July 15, 2013)("Auction 96 PN").

² See, e.g., Policies Regarding Mobile Spectrum Holdings, *Notice of Proposed Rulemaking*, 27 FCC Rcd 11,710, 11,716-17 at \P 12 (2012).

³ In the Matter of Amendment of the Commission's Rules with Regard to Commercial Operations in the 1695-1710 MHz, 1755-1780 MHz, and 2155-2180 MHz Bands, *Notice of Proposed Rulemaking and Order on Reconsideration*, FCC 13-102, GN Docket No. 13-185 (July 23, 2013)("AWS3 NPRM").

⁴ In the Matter of Expanding the Economic and Innovation Opportunities of Spectrum Through Incentive Auctions, *Notice of Proposed Rulemaking*, 27 FCC Rcd 12357 (2012).

The competitive bidding procedures the Commission proposes for Auction 96 generally are familiar for a simultaneous multi-round auction. There is one issue on which AT&T wishes to comment, however: the Commission's proposal to allow hierarchical package bidding, a system of package bidding that would allow bids on a regional or perhaps a nationwide package of licenses in addition to bidding on individual licenses separately.⁵

II. The Commission Should Permit Hierarchical Package Bidding in Auction 96.

In the competitive bidding procedures for Auction 96, the Commission proposes to incorporate provisions to allow a form of package bidding called hierarchical package bidding (HPB), in which, in addition to being able to bid on individual licenses, bidders would also be able to bid on certain predefined groups of licenses. Each license would cover one of 176 Economic Areas (EAs). A package could consist of a Major Economic Area (MEA) comprising a number of EAs, a Regional Economic Area Grouping (REAG), comprised of a number of MEAs, or a nationwide package including all EAs in the 48 contiguous states. These packages would be non-overlapping, in the sense that no EA is included in more than one MEA, and no MEA is included in more than one REAG. Accordingly, the process of determining the provisionally winning bid in a given EA would be greatly simplified compared with a system of package bidding, where bidders were permitted to include any grouping of licenses in a package bid. This reduced computational complexity should provide for transparency to bidders whether they are interested in individual licenses or packages.

AT&T believes that package bidding, if properly structured, would be a fair and efficient way to accommodate bidders of all sizes. Bidders interested in only one or a few licenses in a

⁵ Auction 96 PN at ¶¶ 17-23.

⁶ *Id.* at ¶ 17.

geographic area would be able to bid separately on those EAs, rather than having to bid on larger, regional licenses that include areas they may not wish to serve, while larger, regional or national operators would have a method to reduce the risks associated with trying to assemble a larger footprint by bidding and winning multiple local licenses.

AT&T has proposed using a form of HPB in the incentive auction.⁷ We support the Commission's plan to allow HBP in Auction 96, as well. We agree with the Commission that the use of a system of HPB is in the public interest, as it is an efficient way to accommodate bidders with a diversity of business plans.

III. Conclusion

For the foregoing reasons, the Commission should permit hierarchical package bidding in Auction 96.

Respectfully submitted,

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⁷ Comments of AT&T Inc., Expanding the Economic and Innovation Opportunities of Spectrum Through Incentive Auctions, GN Docket No. 12-268 (filed Jan. 25, 2013) at pp. 7-9, and Exhibit B (*Design of the FCC Incentive Auctions*, Yeon-Koo Chee, Phil Haile, and Michael Kearns).